

# APPROVED

August 20, 2002

## Michigan State Administrative Board

### COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

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The Honorable John Engler, Governor  
and  
Members of the State Administrative Board

A regular meeting of the **Finance and Claims** Committee was held at **11:00 a.m.** on **August 13, 2002**, those present being:

Chairperson: Mary G. MacDowell, representing State Treasurer Roberts Approved \_\_\_\_\_

Member: Socorro Guerrero, representing Attorney General Granholm Approved \_\_\_\_\_

Member: Brian DeBano, representing Governor John Engler Approved \_\_\_\_\_

Others: Wes Van Malsen, Department of Career Development; Kristi Broessel of the Department of Community Health; Victor Kuhlman, Department of Corrections; Sherry Bond, James Konrad, Arlene Oisten, of the Department of Management and Budget; Mary Lynn Noah, Department of Treasury; Jerry R. Crandall, MIRS; Attorney David Bowen, Mayor Gregory P. Joseph, City of River Rouge; Carl Johnson of Plante & Moran representing the City of River Rouge; William Swoger, Claimant

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The Finance and Claims Committee regular agenda was presented.

Mayor Joseph explained the need for the request of the fiscal stabilization bonds requested by the City of River Rouge. The City had been successfully managing its projected deficit of about \$2,000,000 until the National Steel Corporation filed for Chapter 11 bankruptcy in March, 2002. At that time National notified the City that it would not be paying the February, 2002 property tax of \$990,000 nor the City's 2002-03 tax payment of approximately \$3,000,000. The City would have a \$6,000,000 deficit by June, 2003.

The City feels it will eventually get the \$4,000,000 owed by National through secured assets or through the improved viability of the National Corporation. However, without the bonds, the City would not have sufficient funding through December, 2002.

Mr. Swoger, a claimant requesting reimbursement for the removal of a tree and damage to a mailbox after a storm, that had closed M-43 in front of his home explained his claim.

Following discussion, Ms. Guerrero moved that the regular agenda be recommended to the State Administrative Board for approval, with the withdrawal of item number 7 (3), 23 (1), 23 (2), 23 (3) and 24 (2). The motion was supported by Mr. DeBano and unanimously adopted.

Ms. MacDowell adjourned the meeting.